

*Value engineering* means an analysis of the functions of a program, project, system, product, item of equipment, building, facility, service, or supply of an executive agency, performed by qualified agency or contractor personnel, directed at improving performance, reliability, quality, safety, and life-cycle costs (section 36 of the Office of Federal Procurement Policy Act, 41 U.S.C. 401, *et seq.*). For use in the clause at 52.248-2, see the definition at 52.248-2(b).

*Value engineering change proposal* (VECP)—(1) means a proposal that—

(i) Requires a change to the instant contract to implement; and

(ii) Results in reducing the overall projected cost to the agency without impairing essential functions or characteristics, provided that it does not involve a change—

(A) In deliverable end item quantities only;

(B) In research and development (R&D) items or R&D test quantities that are due solely to results of previous testing under the instant contract; or

(C) To the contract type only.

(2) For use in the clauses at—

(i) 52.248-2, see the definition at 52.248-2(b); and

(ii) 52.248-3, see the definition at 52.248-3(b).

*Veteran-owned small business concern* means a small business concern—

(1) Not less than 51 percent of which is owned by one or more veterans (as defined at 38 U.S.C. 101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and

(2) The management and daily business operations of which are controlled by one or more veterans.

*Virgin material* means—

(1) Previously unused raw material, including previously unused copper, aluminum, lead, zinc, iron, other metal or metal ore; or

(2) Any undeveloped resource that is, or with new technology will become, a source of raw materials.

*Warranty* means a promise or affirmation given by a contractor to the Government regarding the nature, usefulness, or condition of the supplies or

performance of services furnished under the contract.

*Waste reduction* means preventing or decreasing the amount of waste being generated through waste prevention, recycling, or purchasing recycled and environmentally preferable products.

*Women-owned small business concern* means a small business concern—

(1) That is at least 51 percent owned by one or more women; or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and

(2) Whose management and daily business operations are controlled by one or more women.

*Writing or written* (see “in writing”).

[66 FR 2118, Jan. 10, 2001, as amended at 66 FR 20896, Apr. 25, 2001; 66 FR 22083, May 2, 2001; 66 FR 27012, May 15, 2001; 66 FR 27409, May 16, 2001; 66 FR 53484, 53486, 53488, Oct. 22, 2001; 66 FR 65350, 65352, 65354, Dec. 18, 2001; 67 FR 6114, Feb. 8, 2002; 67 FR 13055, Mar. 20, 2002; 67 FR 42313, June 27, 2002; 67 FR 56121, Aug. 30, 2002; 67 FR 56118, Aug. 30, 2002; 68 FR 4049, Jan. 27, 2003; 68 FR 28080, May 22, 2003; 68 FR 28091, May 22, 2003; 68 FR 43858, July 24, 2003; 68 FR 56672, 56678, Oct. 1, 2003; 68 FR 60004, Oct. 20, 2003; 68 FR 69247, Dec. 11, 2003; 69 FR 8313, Feb. 23, 2004; 69 FR 17744, 17766, Apr. 5, 2004; 69 FR 25275, May 5, 2004; 69 FR 34227, 34228, June 18, 2004; 69 FR 76351, 76353, 76345, 76349, 76351, Dec. 20, 2004; 70 FR 11738, Mar. 9, 2005; 70 FR 43578, July 27, 2005; 70 FR 57451, 57454, Sept. 30, 2005]

## Subpart 2.2—Definitions Clause

### 2.201 Contract clause.

Insert the clause at 52.202-1, Definitions, in solicitations and contracts that exceed the simplified acquisition threshold.

[69 FR 34228, June 18, 2004]

## PART 3—IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST

Sec.

3.000 Scope of part.

### Subpart 3.1—Safeguards

3.101 Standards of conduct.

3.101-1 General.

3.101-2 Solicitation and acceptance of gratuities by Government personnel.

3.101-3 Agency regulations.

3.102 [Reserved]

### **3.000**

- 3.103 Independent pricing.
- 3.103-1 Solicitation provision.
- 3.103-2 Evaluating the certification.
- 3.103-3 The need for further certifications.
- 3.104 Procurement integrity.
- 3.104-1 Definitions.
- 3.104-2 General.
- 3.104-3 Statutory and related prohibitions, restrictions, and requirements.
- 3.104-4 Disclosure, protection, and marking of contractor bid or proposal information and source selection information.
- 3.104-5 Disqualification.
- 3.104-6 Ethics advisory opinions regarding prohibitions on a former official's acceptance of compensation from a contractor.
- 3.104-7 Violations or possible violations.
- 3.104-8 Criminal and civil penalties, and further administrative remedies.
- 3.104-9 Contract clauses.

#### **Subpart 3.2—Contractor Gratuities to Government Personnel**

- 3.201 Applicability.
- 3.202 Contract clause.
- 3.203 Reporting suspected violations of the Gratuities clause.
- 3.204 Treatment of violations.

#### **Subpart 3.3—Reports of Suspected Antitrust Violations**

- 3.301 General.
- 3.302 Definitions.
- 3.303 Reporting suspected antitrust violations.

#### **Subpart 3.4—Contingent Fees**

- 3.400 Scope of subpart.
- 3.401 Definitions.
- 3.402 Statutory requirements.
- 3.403 Applicability.
- 3.404 Contract clause.
- 3.405 Misrepresentations or violations of the Covenant Against Contingent Fees.
- 3.406 Records.

#### **Subpart 3.5—Other Improper Business Practices**

- 3.501 Buying-in.
- 3.501-1 Definition.
- 3.501-2 General.
- 3.502 Subcontractor kickbacks.
- 3.502-1 Definitions.
- 3.502-2 Subcontractor kickbacks.
- 3.502-3 Contract clause.
- 3.503 Unreasonable restrictions on subcontractor sales.
- 3.503-1 Policy.

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- 3.503-2 Contract clause.

#### **Subpart 3.6—Contracts With Government Employees or Organizations Owned or Controlled by Them**

- 3.601 Policy.
- 3.602 Exceptions.
- 3.603 Responsibilities of the contracting officer.

#### **Subpart 3.7—Voiding and Rescinding Contracts**

- 3.700 Scope of subpart.
- 3.701 Purpose.
- 3.702 Definition.
- 3.703 Authority.
- 3.704 Policy.
- 3.705 Procedures.

#### **Subpart 3.8—Limitation on the Payment of Funds to Influence Federal Transactions**

- 3.800 Scope of subpart.
- 3.801 Definitions.
- 3.802 Prohibitions.
- 3.803 Certification and disclosure.
- 3.804 Policy.
- 3.805 Exemption.
- 3.806 Processing suspected violations.
- 3.807 Civil penalties.
- 3.808 Solicitation provision and contract clause.

#### **Subpart 3.9—Whistleblower Protections for Contractor Employees**

- 3.900 Scope of subpart.
- 3.901 Definitions.
- 3.902 Applicability.
- 3.903 Policy.
- 3.904 Procedures for filing complaints.
- 3.905 Procedures for investigating complaints.
- 3.906 Remedies.

AUTHORITY: 40 U.S.C. 121(c); 10 U.S.C. chapter 137; and 42 U.S.C. 2473(c).

SOURCE: 48 FR 42108, Sept. 19, 1983, unless otherwise noted.

### **3.000 Scope of part.**

This part prescribes policies and procedures for avoiding improper business practices and personal conflicts of interest and for dealing with their apparent or actual occurrence.